



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

BOOK DEPARTMENT

GENERAL WORKS IN ECONOMICS

FETTER, FRANK A. *Economic Principles*. (Volume I.) Pp. x, 523. Price, \$1.75. New York: The Century Company, 1915.

Professor Fetter's latest work is remarkable for the logical consistency of its theoretical structure. Beginning with a discussion of value, he abandons the terminology of the hedonistic, "marginal utility" treatment for one in which choice, based on considerations of varying desirability among goods, is fundamental. Margins, however, still mark equilibrium points, and the new terminology is really less vital in the changes it affects than might seem at first glance. But this does not affect the course of the general argument. The starting point is with the consumer. He sets into motion "waves of value." At a middle point stands the enterpriser. Consumers express through him their estimates of indirect goods and services, which get their prices from those of expected products. Rent is the direct payment for an instrumental use. Wages are a payment for services, direct or indirect. The rate of payment is a reflection of the value of these services to the purchaser of the ultimate product. This usually involves anticipated rather than immediate values. The enterpriser is intermediary in the estimate-making process. Interest is the outcome of time preference, and the rate of interest is an index of marginal preference. Costs never determine prices or values, but values do determine whether or not costs shall be incurred. An enterpriser's costs determine whether or not he can make a profit. Profits are consequently a residual, variable, "non-contractual" share of final values. Such are some of the essential conclusions of Fetter's static analysis. It does much to clear up theoretical ambiguities and inconsistencies, but to a beginner it will doubtless be forbidding. There is a quality of simplicity about the whole treatment that suggests ease of assimilation on the part of a student. But this simplicity is more seeming than real. It results from an abstruseness of treatment and a use of distinctions often so broad as to give to the student or general reader the impression that economics is a discipline both unreal and impractical.

The final book (Part VI), dealing with economic dynamics, shows a different trend. Real problems of vast social import are discussed in an absorbing way. The handling of diminishing returns (which are not), and of the Malthusian doctrine of population (which functions not) is admirable in the telling distinction. that are made; and the last chapter, which deals essentially with the relations of theory to propaganda, affords an admirable summary of economic backgrounds.

Professor Fetter's coming volume will be awaited with interest. It will complete what is indeed a *magnum opus*.

R. C. MCCREA.

Columbia University.